



Department of Justice

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SEVEN INDIVIDUALS CHARGED WITH FEMA FRAUD IN CONNECTION WITH HURRICANE KATRINA

DETROIT, MI. – Seven individuals appeared before a United States Magistrate Judge today on three criminal complaints charging them with various fraud offenses related to their participation in filing for and receiving assistance from the Federal Emergency Management Agency (FEMA) in connection to Hurricane Katrina, United States Attorney Stephen J. Murphy announced today.

Murphy was joined in the announcement by Gregory Campbell, United States Postal Inspector in Charge, United States Postal Service.

Named in the complaint were Patricia A. Hubbard, 48, of Bude, Mississippi, Andrea J. Johnson Reason, 53, of Bloomington, Indiana, Pamela L. Reason, 45, of Detroit, MI, Krystal P. Hubbard, 23, of Southfield, MI, Dwight V. Reason, 35, of Bloomington, Indiana, Curtistine Ingram, 52, of Detroit, MI and Krystal J. Young, 21, of Detroit, MI.

The supporting affidavit alleges that Patricia Hubbard, Andrea Reason, Pamela Reason, Curtistine Ingram and Dwight Reason conspired to obtain benefits from FEMA totaling \$13,074 based upon applications that contained false and fraudulent representations for FEMA assistance in connection to Hurricane Katrina. Specifically, the affidavit alleges that defendants Patricia Hubbard and Andrea Reason worked together to provide addresses in the Hurricane Katrina affected area to the other co-defendants who reside in Detroit, Michigan and Bloomington, Indiana. None of the defendants lived in the Gulf Coast area nor had suffered any loss due to the hurricane and were therefore not eligible for FEMA benefits. The defendants used the money they received to purchase items such as clothes, cars and in some instances drugs.

Krystal J. Young was also charged in a complaint with mail fraud in connection with an application submitted to FEMA for assistance in connection with Hurricane Katrina. Like the other defendants, Young never lived in the New Orleans or Louisiana area and had not suffered any loss due to the hurricane. Young received two checks totaling approximately \$12,749.51 which she used to purchase a car and for living expenses.

Krystal Hubbard was also charged in a complaint with wire fraud in connection with an application submitted to FEMA for benefits in connection with Hurricane Katrina. Like the others, Hubbard never lived in the effect areas. Hubbard received \$2,000.

United States Attorney Murphy stated that, "The Department of Justice has signaled that those who fraudulently benefit from the tragedy of Hurricane Katrina -- be it in New Orleans, La., or Detroit, Michigan -- will be prosecuted to the full extent of the law. Today's charges evidence my office's full support of that prosecution effort. Scam artists who steal federal Katrina relief funds to satisfy their greed not only defraud the American taxpayer, they also re-injure the real victims of the hurricane's tragic devastation by unlawfully taking money intended to help those in need. I applaud the excellent work of the Postal Inspection Service which led to this case and the strong efforts of the AUSAs who prosecuted it."

Postal Inspector Campbell stated that, "The mission of the United States Postal Inspection Service is to protect the U.S. Postal Service, its employees and its customers from criminal attack, and protect the nation's mail system from criminal misuse. Post Hurricane Katrina, the Inspection Service has conducted more than 100 criminal investigations across the country yielding approximately 98 indictments, 103 arrests, 73 convictions and 13 defendants sentenced."

All defendants appeared in federal court this afternoon and were released on an unsecured bond. Their preliminary examinations are scheduled for 1 p.m. October 16, 2006.

A conviction for the offense of conspiracy carries a maximum penalty of 5 years years in prison or a \$250,000 fine, or both. A conviction for the offenses of wire fraud and mail fraud each carries a maximum penalty of 20 years in prison and or a \$250,000.00 fine. Any sentence will ultimately be imposed under the United States Sentence Guidelines according to the nature of the offense and the criminal background, if any, of the defendants.

A complaint is only a charge and is not evidence of guilt. Trial cannot be held on felony charges in a complaint. When the investigation is completed a determination will be made whether to seek a felony indictment.

This case is being investigated by the United States Postal Inspection Service.

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